Section 407(b)(3) of the Social Security Act, as amended by the Deficit Reduction Act of 2005 (DRA), requires the US Department of Health and Human Services to reduce a State's required work participation rate for a fiscal year by the State's Temporary Assistance for Needy Families (TANF) Caseload Reduction Credit for that fiscal year. As the name suggests, the Caseload Reduction Credit gives a State credit for reducing its caseload between a base year and a comparison year. The State's credit is the net result after the caseload reduction is adjusted for the impact of policy changes made since FY 2005. Since a State's report may contain estimates of the results of certain State policy decisions on the TANF caseload, states must offer the public an opportunity to comment on the methodologies used.

The Department will consider amending its report based on comments it receives by January 31, 2014. The following draft letter briefly summarizes Maryland's FY 2014 Caseload Reduction Credit Report. After viewing the cover letter and the report at this location http://www.dhr.state.md.us/blog/?page_id=2856 please direct questions or comments to:

Robert Ek

Director, Bureau of Policy, Research and Training Family Investment Administration Maryland Department of Human Resources 311 W. Saratoga Street Room 643 Baltimore, MD 21201

Telephone: 410-767-8368 Fax: 410-333-6699

Email <u>robert.ek@maryland.gov</u>

December 26, 2013

Earl S. Johnson, Ph.D.
Director, Office of Family Assistance
Administration for Children and Families
370 L'Enfant Promenade, S.W.
5th Floor East
Washington, DC 20447

Dear Dr. Johnson:

Enclosed is Maryland's ACF-202 Caseload Reduction Credit Report for Fiscal Year (FY) 2014. Our State's FY 2013 net caseload decline was 7,269, resulting in a State-calculated credit of 27.1 percent at the 80 percent TANF Maintenance of Effort (MOE) requirement. We estimate that Maryland will have a minimum Adjusted Standard Work Participation Rate requirement of 22.9 percent in FY2014 after accounting for the Caseload Reduction Credit.

I want to thank your staff in advance for reviewing the enclosed ACF-202 report. We have also sent copies of this letter and the report to the TANF Regional Program Manager for Region III. If you have questions, please contact me at (410) 767-7338. You may also call Robert Ek at (410) 767-8368.

Sincerely,

Rosemary Malone Executive Director Family Investment Administration